GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:733
ANSWERED ON:23.11.2000
FINANCIAL CRISIS IN RAILWAYS
BRIJBHUSHAN SHARAN SINGH

Will the Minister of RAILWAYS be pleased to state:

(a) whether Railways have been facing financial crisis during the current financial year;

(b) if so, the reasons therefor;

(c) the steps taken by the Government to overcome the situation;

(d) whether the Railways have sought a loan of Rs. 2500 crore from Unit Trust of India; and

(e) if so, the details thereof and the purpose for which the said loan is to be utilised?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) & (b): In recent years Railway expenditure has increased steeply after implementation of the recommendations of the Fifth Central Pay Commission, while the growth in earnings has been slower. Apart from this, post budgetary increases in the current year`s expenditure such as hike in prices of HSD oil and electricity tariff, increase in certain staff allowances, additional repairs and maintenance due to natural calamities in Andhra Pradesh, West Bengal, etc have also occurred. While the trend of passenger and goods earnings is satisfactory, earnings from non-traditional sources have still to pick up. Consequently, the total earnings are short of the proportionate target. Some of the Railway users, particularly the power houses, have also accumulated dues to the extent of Rs 2757cr as on 31.8.2000.

(c) Measures have been taken to control expenditure by improving staff productivity, asset utilisation, inventory management, fuel consumption and by ensuring austerity in areas such as travel, publicity, hospitality etc. Concurrently all efforts are being made to improve earnings through appropriate marketing efforts.

(d) No, Sir.

(e) Does not arise.